



“Demystifying the Finance Audit Committee”



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**LE CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

Outline



BENEFITS



**ROLES AND
RESPONSIBILITIES**



STRUCTURE



BENEFITS

[Demystifying the Finance & Audit Committee](#)

Benefits



Provides forward-thinking oversight of your Nation's investments



Supports Council in making informed decisions



Reinforces Council's financial responsibility, accountability, transparency



ROLES AND RESPONSIBILITIES

Roles and Responsibilities – Finance & Audit Committee

Audit and Finance Oversight



Financial Responsibilities

- Financial Planning
- Financial Performance
- Financial Statements

Audit Responsibilities

- External Auditor
- Audited Financials
- Risk Management
- Internal Controls



Roles and Responsibilities – Finance & Audit Committee

Financial

Financial Planning – Budget, 5-yr financial plan

Financial Performance – Quarterly and annual

Annual Financial Statements and Special Purpose Reports

Recommend

Monitor

Review



Roles and Responsibilities – Finance & Audit Committee

Audit

External Audit Selection, Engagement, Performance

Planning, Conduct and Results of Audit Activities

Audited Annual Financial Statements
and Other Reports

Reporting Risks and Mitigating Controls

Recommend

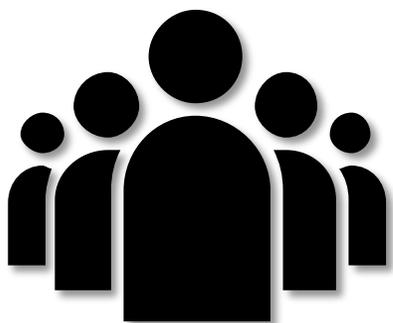
Monitor

Review



Roles and Responsibilities – Council

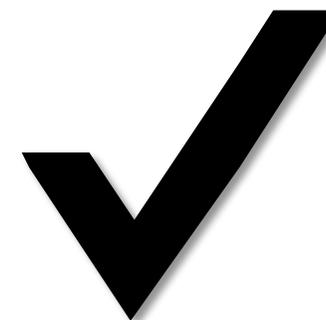
Community
Leaders



Oversight
Responsibility



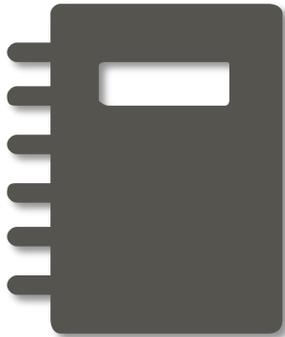
Approvers



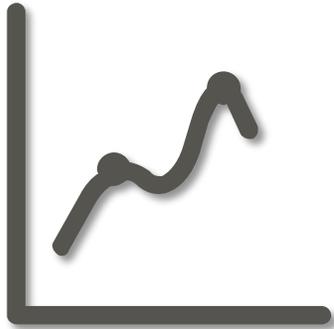


Roles and Responsibilities – Senior Manager, Senior Finance Officer

Financial Strategy, Plan and Report Development



Internal Control Development and Compliance



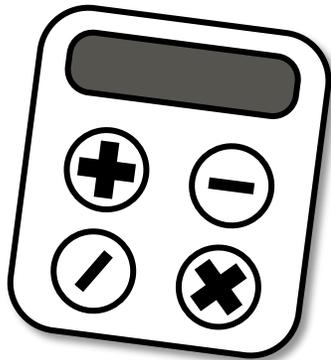
Financial Operations Risk Management Planning





Roles and Responsibilities – External Auditor

Financial
Statement Audit



Compliance
Audit



Performance
Audit





STRUCTURE

Structure - Overview

Reporting

- Report to Council
- Chair and Vice-Chair are appointed by Council (one must be Councillor)

Membership

- Minimum 3 members (at least 1 Councillor)
- For 4 or more members (at least 2 Councillors)

Qualification Criteria

- Majority of members must have financial competency
- All members are independent

Structure – Financial Competency

- Financial literacy or related financial management expertise
- Qualification requirements interpreted by Council

Sample Financial Competency criteria

- The ability to read and understand a set of financial statements;
- An understanding of internal controls and procedures for financial reporting and risk management processes;
- An understanding of the First Nation's strategic objectives;
- The ability to assess the general application of accounting policies and principles

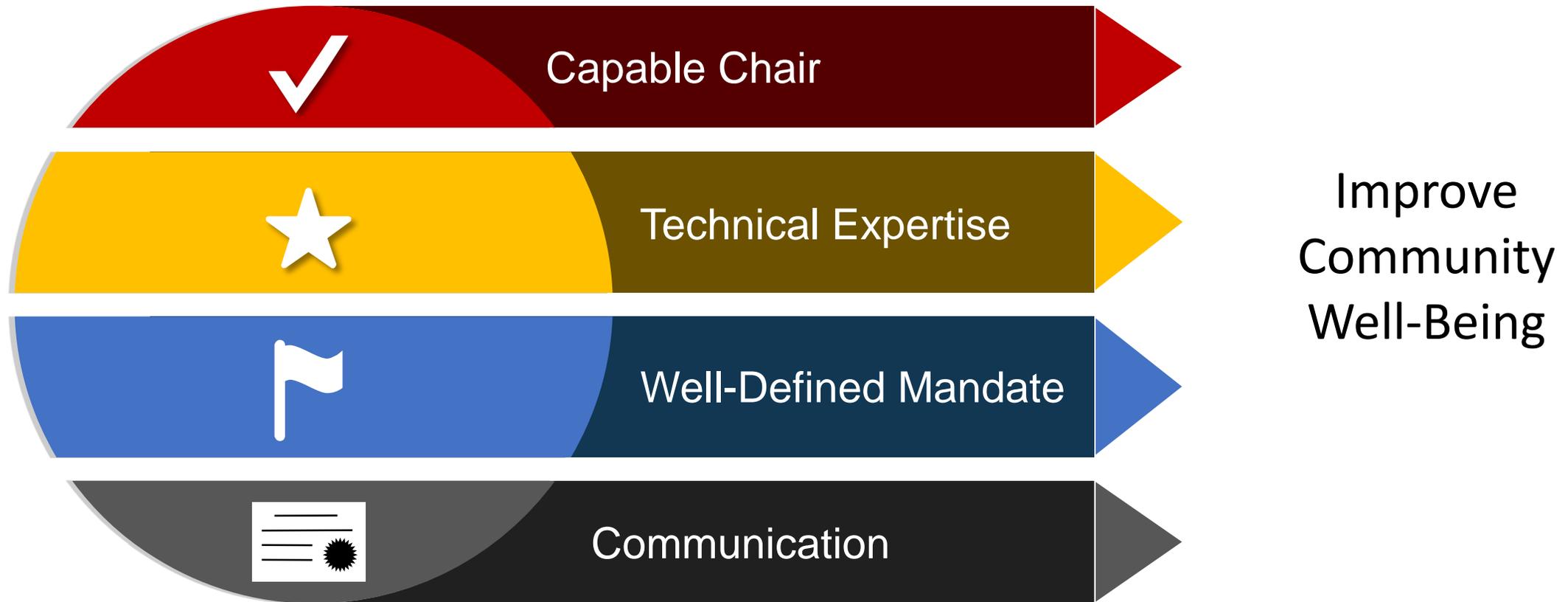
Structure – Independence

- No direct or indirect relationship with the first nation government

- Council required to make policies or procedures for independence criteria
 - Establishing independence eligibility criteria in compliance with FMB Standards
 - Senior Manager, Finance Manager, Finance department ineligible
 - Councillors and Other employees may be eligible
 - Requiring confirmation from candidate about independence
 - Requiring annual conflict of interest disclosure statement
- No direct or indirect relationship with the first nation government



Keys to Success – Finance and Audit Committee



Contact First Nations Financial Management Board

Phone: 1-877-925-6665

Website: www.fnfmb.com